

**ND RETIREMENT AND INVESTMENT OFFICE**  
**Combined Balance Sheet**  
**As of 3/31/2004**

	As of <u>3-31-04</u>	As of <u>6-30-03</u>
<b>ASSETS:</b>		
<b>INVESTMENTS (AT MARKET)</b>		
DOMESTIC EQUITIES	\$ 1,490,551,974	\$ 1,293,274,762
INTERNATIONAL EQUITIES	685,391,703	560,765,217
DOMESTIC FIXED INCOME	1,274,755,028	1,136,499,399
INTERNATIONAL FIXED INCOME	131,379,671	110,380,109
REAL ESTATE POOL	186,273,078	168,299,583
VENTURE CAPITAL	120,536,961	103,782,691
INVESTED CASH (NOTE 1)	<u>103,861,657</u>	<u>80,246,521</u>
<b>TOTAL INVESTMENTS</b>	<b>3,992,750,072</b>	<b>3,453,248,282</b>
<b>RECEIVABLES</b>		
DIVIDEND/INTEREST RECEIVABLE	15,900,098	14,239,321
CONTRIBUTIONS/ASSESSMENTS REC	4,795,895	6,260,471
MISCELLANEOUS RECEIVABLES	<u>1,849</u>	<u>43,806</u>
<b>TOTAL RECEIVABLES</b>	<b>20,697,842</b>	<b>20,543,598</b>
<b>OTHER ASSETS</b>		
OPERATING CASH (NOTE 2)	7,321,538	7,521,244
DUE FROM OTHER AGENCIES (NOTE 3)	71,106	54,660
FIXED ASSETS (NET) (NOTE 4)	<u>3,414</u>	<u>3,414</u>
<b>TOTAL ASSETS</b>	<b><u>\$ 4,020,843,972</u></b>	<b><u>\$ 3,481,371,198</u></b>
<b>LIABILITIES:</b>		
ACCOUNTS PAYABLE	2,138,331	2,220,333
ACCRUED EXPENSES	389,597	379,377
DUE TO OTHER AGENCIES (NOTE 5)	<u>71,108</u>	<u>54,660</u>
<b>TOTAL LIABILITIES</b>	<b>2,599,036</b>	<b>2,654,370</b>
<b>NET ASSETS AVAILABLE:</b>		
NET ASSETS AVAILABLE BEGIN OF YEAR	3,478,716,828	3,346,332,984
CASH IN DURING YEAR (NOTE 6)	216,588,798	264,797,201
CASH OUT DURING YEAR (NOTE 7)	201,526,704	288,420,000
NET INCREASE (DECREASE)	<u>524,466,014</u>	<u>156,006,643</u>
<b>NET ASSETS AVAILABLE END OF PERIOD</b>	<b><u>4,018,244,936</u></b>	<b><u>3,478,716,828</u></b>
<b>TOTAL LIABILITIES &amp; NET ASSETS AVAILABLE</b>	<b><u>\$ 4,020,843,972</u></b>	<b><u>\$ 3,481,371,198</u></b>

**ND RETIREMENT AND INVESTMENT OFFICE**  
**Combined Profit and Loss Statement**  
**For the Month Ended 3/31/2004**

	Month Ended <u>3-31-04</u>	<u>Year-to-Date</u>
ADDITIONS:		
INVESTMENT INCOME		
INTEREST/DIVIDEND INCOME	\$ 9,066,555	\$ 84,388,604
SECURITIES LENDING INCOME	<u>324,895</u>	<u>2,541,073</u>
	9,391,450	86,929,677
 GAIN ON SALE OF INVESTMENTS	 51,570,706	 341,856,175
LOSS ON SALE OF INVESTMENTS	<u>30,140,714</u>	<u>214,907,576</u>
 NET GAINS (LOSSES) INVESTMENTS	 21,429,992	 126,948,599
 INVESTMENT EXPENSES	 371,956	 8,078,842
SECURITIES LENDING EXPENSES	<u>266,420</u>	<u>1,999,608</u>
 NET INVESTMENT INCOME	 30,183,066	 203,799,826
 NET APPREC (DEPREC) MARKET VALUE	 (19,044,126)	 339,440,834
MISCELLANEOUS INCOME/(EXPENSE)	<u>1,686</u>	<u>34,972</u>
 TOTAL INVESTMENT INCOME	 11,140,626	 543,275,632
 CONTRIBUTIONS & ASSESSMENTS (NOTE 8)	 4,932,966	 38,522,534
PURCHASED SERVICE CREDIT (NOTE 9)	253,551	2,896,469
PENALTY & INTEREST (NOTE 10)	<u>60</u>	<u>(120)</u>
 TOTAL ADDITIONS	 <u>16,327,203</u>	 <u>584,694,515</u>
 DEDUCTIONS:		
BENEFITS PAID PARTICIPANTS (NOTE 11)	6,387,592	57,550,803
REFUNDS TO MEMBER (NOTE 12)	<u>207,069</u>	<u>1,675,275</u>
 TOTAL BENEFITS PAID	 6,594,661	 59,226,078
 ADMINISTRATIVE EXPENSES		
SALARIES AND BENEFITS	72,789	630,718
OPERATING EXPENSES	47,473	371,705
EQUIPMENT	<u>0</u>	<u>0</u>
 TOTAL ADMINISTRATIVE EXPENSES	 <u>120,262</u>	 <u>1,002,423</u>
 TOTAL DEDUCTIONS	 <u>6,714,923</u>	 <u>60,228,501</u>
 NET INCREASE (DECREASE)	 <u>\$ 9,612,280</u>	 <u>\$ 524,466,014</u>

**ND RETIREMENT AND INVESTMENT OFFICE**  
**Notes to Combined Financial Statement**  
**March 31, 2004**

The following notes to financial statements are intended to provide general descriptions of line items in the financial statements.

NOTE 1                      INVESTED CASH

Cash invested in the short-term investment fund (STIF/STEP) at The Northern Trust Company or a money market demand account at the Bank of North Dakota.

NOTE 2                      OPERATING CASH

Money market and checking accounts at the Bank of North Dakota and RIO's operating account at the State Treasurer's Office.

NOTE 3                      DUE FROM OTHER AGENCIES

Amounts paid in anticipation of the allocation of administrative expenses of RIO.

NOTE 4                      FIXED ASSETS

Office furniture and equipment capitalized by RIO, shown net of depreciation. Depreciation is calculated straight-line, over five years.

NOTE 5                      DUE TO OTHER AGENCIES

Amounts received from agencies in excess of amounts allocated for RIO administrative expenses.

NOTE 6                      CASH IN DURING YEAR

Cash transferred into investment accounts at either The Northern Trust Company or the Bank of North Dakota during the current fiscal year.

NOTE 7                      CASH OUT DURING YEAR

Cash transferred out of investment accounts at either The Northern Trust Company or the Bank of North Dakota during the current fiscal year.

**ND RETIREMENT AND INVESTMENT OFFICE**  
**Notes to Combined Financial Statement**  
**3/31/2004**

NOTE 8                      CONTRIBUTIONS & ASSESSMENTS

Assessments on teachers' salaries of 7.75 percent of salary plus a matching contribution paid by the employer unit, for a total contribution and assessment of 15.5 percent that must be remitted monthly.

NOTE 9                      PURCHASED SERVICE CREDIT

Payments received on the purchase of service credit for TFFR as allowed by the North Dakota Century Code.

NOTE 10                    PENALTY & INTEREST

Amounts charged to school districts for late payment or reporting of contributions and assessments.

NOTE 11                    BENEFITS PAID TO PARTICIPANTS

Monthly annuity benefits paid to retired teachers on the first of each month.

NOTE 12                    REFUND TO MEMBERS

Refunds of teachers' accounts who have ceased teaching in North Dakota.